

The Wharton School of the University of Pennsylvania

ACCOUNTING 102 – Managerial Accounting Course Syllabus Fall, 2015

Instructor: Dr. Victor J. Defeo

Office: 1311 Steinberg Hall-Dietrich Hall

e-mail: defeo@wharton.upenn.edu

Office Hours: By appointment

Teaching Assistant: Refer to Canvas

REQUIRED MATERIAL:

Davila, Antonio, Oyon, Daniel, *Malea Fashion District, How Successful Managers Use Financial Information to Grow Organizations*, 2nd Edition, 2009

Shim, Jae K., Siegel, Joel G., *Shaum's Outlines, Managerial Accounting*, 2nd Edition, McGraw Hill

COURSE OBJECTIVES:

This course emphasizes the use of accounting information for internal planning and control purposes, as opposed to the external disclosure focus of financial accounting. While you will learn alternative methods of obtaining managerial accounting information, we will spend the majority of our time examining how managerial accounting information is used by companies. Managerial accounting is a company's internal language, and is used for decision-making, production management, product design and pricing, performance evaluation, and motivating employees. Well-designed managerial accounting systems maximize economic profits (all relevant benefits minus all relevant costs).

What you learn in this course complements and builds upon what you learned in financial accounting, and what you are learning in your economics, finance, marketing, management, operations, and statistics courses.

Unless you understand managerial accounting, you cannot have a thorough understanding of a company's internal operations. What you learn in this course will help you understand the operations of your future employer (and enable you to be more successful at your job), and help you understand other companies you encounter in your role as competitor, consultant, or investor.

COURSE OPERATION:

The course meets three times a week - lectures on Monday and Wednesday, and a recitation on Friday.

Monday and Wednesday – lectures

Fridays – Recitations

The teaching assistant for the course, will conduct the Friday recitation sessions. During those recitations, the week's material will be review, your questions will be answered, and an assigned problem will be reviewed. New material will not be covered.

Please note that some recitations and/or review sessions may be held at different times from those indicated in your class schedule. (These will typically occur near the time of an exam.) This will be done to maximize the number of students able to attend these sessions.

CANVAS:

To access Canvas for Accounting 102, go to the internet URL:

<https://canvas.upenn.edu>

On that page, click on ACCT to display links to accounting course Canvas rooms, and then click on your section number.

Non-Wharton students must obtain a Wharton computer account in order to access Canvas.

Canvas contains, among other items, the course syllabus, class schedule, and information on the TA's office hours and office and recitation locations. I will make the lecture notes for each class available on Canvas not later than the day preceding the day of the class.

To read most of the materials posted, you will need a copy of the Adobe Acrobat reader. To obtain a copy, go to:

<http://www.adobe.com/products/acrobat/readstep2.html>

If you have problems with Canvas, contact

iwane@wharton.upenn.edu

OFFICE HOURS:

The TA's office hours will be posted on Canvas.

In addition to the regular weekly office hours the TA will hold additional office hours during the week of an exam.

PERFORMANCE EVALUATION SYSTEM:

Whether you are aware of it or not, all of your life you have been, are, and will be evaluated based on a relative performance evaluation (RPE) system. These systems are colloquially called "curves." The key to dealing with an RPE system is not to become anxious, but to accept the system, understand it, and learn to work gracefully within it. You will be applying these systems to your subordinates as you move through life, and you need to know how to do so effectively.

Your grade for this course will be based, exclusively, on the weighted average of three exams, which are scheduled as follows:

	<u>Date</u>	<u>Time</u>	<u>Weight</u>
Exam I:	September 30 Wednesday)	Class Session	31%
Exam II:	October 28 (Wednesday)	Class Session	32%
Exam III (Final):	December 17 (Thursday)	3:00 – 5:00 pm	32%
Case (East Penn Bank)	November 11 (Wednesday)	not later than 11:45 am	5%

Please note that the above weighting scheme will be strictly adhered to. There is no possibility of earning extra credit or of changing the above weights.

The grade distribution is determined so that approximately 70% of the class enrollment (following the end of the drop period) receives A's or B's. I hope that this relaxed grading scheme will relax you, so that there will be more learning, more cooperation, less over-studying, and less competition over grades.

Note that the grade distribution is set based on enrollment following the end of the drop period, and to the extent that students subsequently withdraw from the course, the percentage of the *final* enrollment who receive A's or B's will be *greater* than 70%. **This policy means that no student who remains in the course is negatively affected by the fact that other students have withdrawn.**

Students at the bottom of the distribution with a very poor weighted average scores (e.g., a weighted average score of less than 40%) will likely receive a final grade of F.

CASE ASSIGNMENT

The case must be turned in by 11:45 a.m. on the date of the assignment to the accounting secretaries in Steinberg-Dietrich Hall, Suite 1300. If outside of business hours, slip it under the left door of Steinberg-Dietrich Hall, Suite 1300. No cases sent by e-mail will be accepted. Cases turned in late will receive no credit.

The case assignments can be done individually or in groups of up to three persons. You are free to pick your own groups. I will not become involved in any group disputes. Groups will have to monitor and manage themselves. All members of the group will receive the same grade on the case. **In order to help the TA grade and return the case, please alphabetize by team member last name.**

NOTE: Additional student names will not be allowed to be added to the case submission after it has been turned in. Please make sure that your team members have included your name on the case submitted.

All groups must work independently. Members of different groups are **not** allowed to discuss the case or share answers prior to the time when the case has been turned in. Each of you is responsible for ensuring that work done by your group is done independently of other groups.

EXAMINATIONS

All examinations are closed-book and closed notes, with one exception. Students will be permitted to use one page (8 ½" x 11", one side only) of notes during the examination.

EXAM ACCOMMODATIONS AND CONFLICTS:

If you need additional time to complete an exam because of a university-recognized disability, please inform your instructor (by e-mail) and the Office of Student Disabilities Services (SDS) **within two weeks of the start of classes**. You will be provided with the accommodations that are approved by that Office.

If you are unable to attend an exam, documented (written) evidence (i.e., from a doctor – a letter from Student Health is NOT sufficient) that you were **seriously ill, or unavailable for some other reason**, at the scheduled time of an exam is the only valid excuse for missing an exam. In order to be excused from an exam, you must email your instructor as soon as possible (prior to the exam, if possible), and you must provide the original copy of the required documentation. (A photocopy or other facsimile is not sufficient.) **Please note that a job interview, your attendance at a social event or a participation in a sporting event are not normally considered to be a sufficient reason to miss an exam.** However, if you notify your instructor sufficiently far in advance, an attempt will be made to accommodate the situation.

Students who fail to attend an exam without making arrangements with the instructor in accordance with the preceding requirements will receive a grade of 0 for the exam.

If a student misses an exam (with a valid excuse), he/she will be required to take the make-up exam. Make-up exams will be given **only** on the make-up exam date, which is scheduled by the University (typically during the first week of classes for the **following** semester).

WITHDRAWAL FROM THE COURSE:

I will not refuse a student's request to withdraw from the course. However, while I am willing to approve withdrawals up to the day before the final, **the undergraduate division has the final authority**, and, in most previous cases, it has refused all withdrawal requests submitted after the university deadline (**see below**). However, I urge students who are thinking of withdrawing in order to avoid a grade of C to think carefully about the costs of losing credit for the course and receiving a W versus the benefit of potentially getting a higher grade in the future.

Be aware that, in order to withdraw from the course, you must meet the university deadline and requirements regarding withdrawals. In particular, note that the university withdrawal deadline is Friday, November 6, 2015. Therefore, if you wish to withdraw after that date, you will be required to submit a petition to the Wharton Undergraduate Division to obtain its approval. Please obtain the School's approval before you ask for mine (which I will give).

RE-GRADES:

I and the TA follow a grading scheme that is designed to award partial credit. Occasionally, we will make mistakes, and we are eager to correct them subject to the following limits. If you believe that there was a *mistake* in the grading of your exam, you must submit the original exam (with no adjustments), and a *written explanation* of the points of contention. *within one calendar week following the return of the exam*, **We will only re-grade exams if they: (1) were originally written in non-erasable pen, (2) used no correction tape, white-out, etc., and (3) have not been edited or marked up in any way following their return and prior to the submission of the re-grade request.** *Please note, any exam submitted for re-grade is subject to a complete review*, which may result in an increase or decrease in the total exam score. If the re-grade request is made after one calendar week or without an accompanying explanation, no re-grade will be permitted.

All re-grade decisions are *final*.

FAIRNESS AND INTEGRITY:

I emphasize fairness to all students taking the course. Please do not do anything that is unfair to other students, or ask your instructor to make exceptions that are unfair to other students.

I expect you to follow the code of Academic Integrity in this course and in all your courses:

http://www.upenn.edu/provost/images/uploads/Academic_Integrity.pdf.

In order to ensure fairness and on behalf of the overwhelming majority of honest students, I will refer anyone suspected of cheating to the Office of Student Conduct. The Office of Student Conduct will determine if cheating occurred, and if so, what punishment will be administered. There are no exceptions to this policy under any circumstances.

There is some probability that I or the TA will find a student who has cheated. Please note that when a student is convicted of cheating by the Office of Student Conduct, the and minimum punishment is a grade of F for the course and a one-semester suspension. Cheating is wrong from an ethical standpoint, and cheating does not make sense practically, because **the expected costs to the cheater far outweighs any small benefits.**

Accounting 102

Class Schedule

Fall, 2015

Session	Day	Date	
01	Wed	8/26	Introduction Class Notes: Session 01
Part 1: Decision Making			
02	Mon	8/31	Decision Making: Cost Concepts Class Notes: Session 02 Text Book Readings: Malea Fashion District Chapters 1, 2, 6 Shaum's Outline Chapters 2, 4, 5
03	Wed	9/2	Decision Making: Relevant Costs Class Notes: Session 03 Text Book Readings: Malea Fashion District Chapters 1, 2, 6 Shaum's Outline Chapters 2, 4, 5
04	Wed	9/9	Decision Making: Cost, Volume, Profit (CVP) and Financial Modeling Class Notes: Session 04 Text Book Readings: Malea Fashion District Chapters 1, 2, 6 Shaum's Outline Chapters 2, 4, 5
	Fri	9/11	Recitation Problem for Discussion Recitation Problems 01
05	Mon	9/14	Decision Making: Case Class Notes: Session 05 Reading: Forrest Gump Case

Session	Day	Date		
Part 2: Cost Accounting				
06	Wed	9/16	Overview of Cost Accounting	
			Class Notes:	Session 06
			Text Book Readings:	
			Malea Fashion District	Chapters 3, 4, 7
			Shaum’s Outline	Chapters 12
	Fri	9/18	Recitation	
			Problem for Discussion	Recitation Problems 02
07	Mon	9/21	Job Costing	
			Class Notes:	Session 07
			Text Book Readings:	
			Malea Fashion District	Chapters 3, 4, 7
			Shaum’s Outline	Chapters 12
08	Wed	9/23	Process Costing	
			Class Notes:	Session 08
			Text Book Readings:	
			Malea Fashion District	Chapters 3, 4, 7
			Shaum’s Outline	Chapters 12
	Fri	9/25	Recitation Cancelled (Papal Visit)	
			(See Recitation Problems 03)	
09	Mon	9/28	Catch-up and Exam Review	
			Class Notes:	Session 09
	Wed	9/30	EXAM 1	
			(All materials covered in Session 1-9)	
	Fri	10/2	Recitation Cancelled	
	Fri	10/2	DROP PERIOD ENDS	

Session	Day	Date	
Part 3: Cost Management			
10	Mon	10/5	Activity Based Costing
			Class Notes: Session 10
			Text Book Readings:
			Malea Fashion District Chapter 10
			Shaum's Outline Chapter 13 pp. 335 - 338
11	Wed	10/7	Activity Based Costing for Customer Profitability
			Class Notes: Session 11
			Case (To be handed in before class) East Penn Bank
			Text Book Readings:
			Malea Fashion District Chapter 14
	Fri	10/8	Recitation Cancelled
			Fall Break
12	Mon	10/12	Activity Based Management
			Class Notes: Session 12
			Text Book Readings:
			Malea Fashion District Chapter 10, pp. 223-228
13	Wed	10/14	Variable Costing and Throughput Accounting
			Class Notes: Session 13
			Text Book Readings:
			Malea Fashion District Chapter 7, pp. 153-155; Chapter 11
			Shaum's Outline Chapter 4, pg. 63
	Fri	10/16	Recitation
			Problems for Discussion Recitation Problems 04

Session	Day	Date	
14	Mon	10/19	Support Department Cost Allocation
			Class Notes: Session 14
			Text Book Readings:
			Malea Fashion District Chapter 13
			Shaum's Outline Chapter 12, pp. 319 - 321
15	Wed	10/21	Pricing Decisions
			Class Notes: Session 15
			Text Book Readings:
			Malea Fashion District Chapter 5
			Shaum's Outline Chapter 5, pp. 91-92
	Fri	10/23	Recitation
			Problem for Discussion Recitation Problems 05
16	Mon	10/26	Catch-up and Exam Review
			Class Notes: Session 16
	Wed	10/28	EXAM 2
			(All materials covered in Session 10-16)
	Fri	10/30	Recitation Cancelled

Session	Day	Date		
Part 4: Cost Planning				
17	Mon	11/2	Capital Budgeting	
			Class Notes:	Session 17
			Text Book Readings:	
			Malea Fashion District	Chapter 12
			Shaum's Outline	Chapter 9
18	Wed	11/4	Cost Estimation	
			Class Notes:	Session 18
			Text Book Readings:	
			Shaum's Outline	Chapter 3
	Fri	11/6	Recitation	
			Problem for Discussion	Recitation Problems 06
	Fri	11/6	WITHDRAWAL PERIOD ENDS	
19	Mon	11/9	Competitive Cost Analysis	
			Class Notes:	Session 19

Session	Day	Date		
Part 5: Performance Evaluation and Incentives				
20	Wed	11/11	Responsibility Accounting Class Notes: Text Book Readings: Malea Fashion District Shaum’s Outline	Session 20 Chapter 15, pp. 307-316 Chapters 7, 8
	Fri	11/13	Recitation Problem for Discussion	Recitation Problems 07
21	Mon	11/16	Accounting Performance Measures and Incentives Class Notes: Text Book Readings: Malea Fashion District Shaum’s Outline	Session 21 Chapter 3, pp. 60-75 Chapter 8
22	Wed	11/18	Variance Analysis - Sales Class Notes: Text Book Readings: Malea Fashion District Shaum’s Outline	Session 22 Chapter 9 Chapters 6, 7
	Fri	11/20	Recitation Problem for Discussion	Recitation Problems 08
23	Mon	11/23	Variance Analysis - Costs Class Notes: Text Book Readings: Malea Fashion District Shaum’s Outline	Session 23 Chapter 9 Chapters 6, 7
	Wed	11/25	No Class/Recitation Cancelled (Thanksgiving Break)	

Session	Day	Date		
24	Mon	11/30	Transfer Pricing	
			Class Notes:	Session 24
			Text Book Readings:	
			Malea Fashion District	Chapter 15, pp 316-319
			Shaum's Outline	Chapter 8, pp. 186 - 187
25	Wed	12/2	To Be Announced	
	Fri	12/4	Recitation	
			Problem for Discussion	Recitation Problems 09
26	Mon	12/7	Catch-up and Exam Review	
			Class Notes:	Session 26
	Thurs	12/17	EXAM III	3 - 5 p.m.
			(All material covered in Sessions 17-26)	